

# IT'S ALL ABOUT CULTURE AND ORGANISATIONAL IDENTITY



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I'm a Project Manager for Surrey's Business Operations Service supporting the mobilisation of new businesses into the transactional teams.

This role has raised my awareness that, with the increased trend of organisations merging and sharing services, there comes a significant impact on people that is sometimes considered as consequential - a case of 'let's get the systems and processes sorted first and deal with deciding on what culture we want when the dust settles'.

As a student on the Postgraduate Certificate in Shared Services<sup>1</sup>, I wanted to explore the academic evidence of what the impact could be when different organisations with existing cultures and identities combine to make a new organisation, providing services for both.

My question was: *What is the impact on identity; what factors will influence the development of a positive culture and what are the risks of trying to influence the development of culture within organisations that are experiencing large scale change?* What I found out was there are many challenges to be considered.

Organisational identity – “who we are” and culture – “how we do things” are important influential factors in the merger of equals<sup>2</sup>. Where organisational identity relates to the employee's connection with the organisation; culture reflects the patterns and behaviours that evolve over time within a given group<sup>3</sup>. Identity is as influential as culture in its impact on the success of integration and incompatibility and is often blamed when things go wrong. So how do you manage that?

Naturally, strong identities go hand in hand with well-developed cultures but the two are different and it is the perceived threats to

identity – the “who we are” – that can create an emotional response in an organisation that feels threatened by a merger or creation of a joint venture.

Similarly, cultural differences in management levels especially can have an adverse impact to performance in the early years of a relationship.

## Values and vision

The importance of setting vision and values at the highest levels of leadership was highlighted as a key issue in the CIPD 2011 case study *Children's Trust, Southampton: Towards a culture of partnership working*. Establishing these elements early sets a clear tone for the employees of 'what is to come', and helps them to reflect and understand the change in culture that will follow.

However, the study articulated that, because of working in a political context with drivers of efficiency, there are often rationalisations such as redundancies and changes to services that need to be made as part of the change.

This highlights the struggle of leaders to set a clear and worthwhile vision for the change, whilst also balancing open communication about some of the mechanisms that may have a negative impact on some groups of staff.

## Communications

Several of the academic papers I reviewed emphasised the importance of communication before and during the merger process and the impact they can have on early success<sup>4</sup>.

The studies in general evidenced that providing a supply of information about the forthcoming organisational changes can help to reduce employees' concerns and feelings of uncertainty by making them feel involved and reduced rumours of worst-case scenarios.

<sup>1</sup> Now the Postgraduate Certificate in Collaborative Transformation

<sup>2</sup> Albert and Whetten (1985)

<sup>3</sup> Mael & Ashford (1992)

<sup>4</sup> For example Jimmieson, et al (2004) and Bastien (1987)

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In local government shared services specifically, communication is very important as there is a much wider group of stakeholders than just employees to keep informed and engaged.

These can be cabinet members, residents, other partnerships that may exist, as well as customers, suppliers and unions.

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#### **Acceptance and resistance to change**

Whilst good management, open communications and the utilisation of change agents can support the change process and make it smoother, there is still typically an element of the unknown that cannot always be controlled, which is the individual's response to change.

These are "pre-merger" reactions, and further stages will follow during the "post-merger" phase as a new culture forms out of the two previous ones. These stages are<sup>5</sup>:

1. awareness of the differences
2. rage about the differences
3. introspection
4. integration

There is a danger in getting stuck in the second stage of rage and not being able to move on through the final stages and on to accepting the building of a new, integrated culture.

Considering these issues, I found myself thinking back to the topics of vision, value, and communications, and wondering if the key to encouraging acceptance and reducing resistance was to get this right from the outset and maintain them throughout.

<sup>5</sup> Harris & Moran (1979)



*"Here's a blank sheet. Let's remake ourselves"*

#### **Learning from the private sector**

As I researched the literature on the pros and cons of public sector partnerships, I often found myself reading articles and journals on mergers and acquisitions in the private sector.

Whilst these organisational processes are very different in some regards from the creation of public sector partnerships, the impacts on culture and organisational identity are very similar.

The concerns faced by individuals as they move through the change curve are the same; the challenges of handling communication and messages are the same; and the risk of success or failure hinging on successful integration of cultures is also the same.

Sadly, I don't have any easy answers to share with you other than culture and organisational identity are factors that cannot be ignored and we would be wise to consider how to meet these challenges head-on.

As public partnerships develop and evolve on multiple levels, there can be no doubt that the lessons of what has been done before will become a valuable tool in helping to shape the future.